

North Moreton Regional Council



1. Recommendation

The Commission recommends:

- (i) the existing local governments of Caboolture Shire, Pine Rivers Shire and Redcliffe City Councils be abolished and a new local government formed based on the combined area of the three existing local governments;
- (ii) the new local government be called North Moreton Regional Council;
- (iii) the new local government be undivided with 12 councillors and a mayor; and
- (iv) the new local government be classed as a regional local government.

2. Comparison of new and previous local governments

NEW LOCAL GOVERNMENT	PREVIOUS LOCAL GOVERNMENTS			
Name	North Moreton Regional Council	Caboolture Shire Council	Pine Rivers Shire Council	Redcliffe City Council
Class	Regional	Shire	Shire	City
Size	2,011 sq km	1,225 sq km	750 sq km	36 sq km
Population 2006	337,846	135,062	149,261	53,523
Population 2026	486,095	210,231	215,700	60,164
Electors 2007	214,114	84,955	94,035	35,124
Electoral arrangements	Undivided 12 councillors plus mayor	Divided 6 councillors plus mayor	Divided 10 councillors plus mayor	Undivided 7 councillors plus mayor
Electors per councillor excluding mayor	17,842	14,159	9,403	5,017
Total operating revenue financial year 2006	\$297 million	\$120 million	\$129 million (estimated)	\$48 million
Annual capital expenditure financial year 2007 - 2015	\$135 million	\$58 million	\$64 million	\$13 million
Total assets at 30 June 2006	\$3,178 million	\$1,274 million	\$1,439 million (estimated)	\$465 million
Debt at 30 June 2006	\$58 million	\$19 million	\$30 million (estimated)	\$9 million
Community equity at 30 June 2006	\$3,052 million	\$1,231 million	\$1,347 million (estimated)	\$474 million

3. Rationale for the new local government

The urban local governments of Pine Rivers and Caboolture Shires, and Redcliffe City to the north of Brisbane City form the northern part of the Greater Brisbane urban area. Collectively they comprise a large part of the SEQ Regional Plan's Urban Footprint. They have a very strong social and economic relationship with dependency on Brisbane City, which in turn provides a significant level of employment for residents. Brisbane City also provides:

- high order health facilities and services;
- tertiary education;
- commercial, legal and financial services;
- major industrial precincts;
- recreational, cultural and arts amenities, as well as;
- major air, sea and land transport nodes for international travel, as well intra and inter-state travel.

All three current local government areas share this close social and economic functional relationship with Brisbane City. They fall within a common sub-regional catchment area including the North and South Pine River catchment and the Caboolture River catchment. Approximately 11 percent of South East Queensland's future population and housing growth to 2026 will be accommodated within this new regional local government.

The SEQ Urban Footprint crosses the administrative boundary of all three of the existing local governments without distinguishing between the respective jurisdictions. A break in the Urban Footprint formed by the lower lying and forested areas of the Pumicestone Passage catchment, and Caloundra Downs to the north of Caboolture, creates a separation from the Sunshine Coast communities.

3.1 Service delivery, operations and management

The Commission bases its recommendation to amalgamate the three local governments on the following considerations:

- The amalgamation will deliver a council of a size, scale and financial capacity to undertake important sub-regional planning, infrastructure sequencing and urban management responsibilities.
- Combining parts of three current local government planning schemes into one integrated planning document (albeit with different policies for distinctive areas), together with a single procedure for the assessment of applications, should reduce compliance costs associated with urban development and hence impact favourably on housing affordability. A common planning scheme and a common growth management strategy will not result in individual communities losing their identity and character on the basis the new council recognises and gives expression to the character of distinctive localities through the preparation of local area planning instruments, but it does deliver efficiencies in the administration of planning and development assessment.
- All three local governments share a number of cross-border concerns including:
 - water catchment management;
 - regional road, rail and public transport provision; and
 - employment and economic development opportunities for their resident populations.
- The combined population and the high level of projected population growth (estimated to grow by 44 percent or approximately 150,000 between 2006 and 2026) requiring a local government capable of providing:
 - strong leadership;
 - quality strategic planning;
 - robust financial performance combined with sound governance;
 - efficient and effective service provision;
 - efficient and cost effective asset acquisition and management; and
 - regional infrastructure planning, financing, construction and management.

- Because of the scale of the urban development forecast for this area, it is essential to carefully plan for:
 - new employment precincts;
 - the future potential urban area to the west of Caboolture;
 - a retail and commercial centre hierarchy so as to avoid blight caused by oversupply and duplication; and
 - provision of infrastructure in a coordinated manner.

This is best achieved through a local government structure able to address urban development issues coherently, rather than one where the growth will traverse a number of jurisdictions.

- The benefits of economies of scale around the provision of core local government services should result in the delivery of a wider range of services and/or lower costs to residents.
- The majority of growth (94 percent) will occur within the Pine Rivers (44 percent) and Caboolture (50 percent) areas straddling the Bruce Highway. The coastal community of Redcliffe City with its land constraints is expected to grow by an additional 9,000 people over the next 20 years which represents six percent of the expected growth. While Pine Rivers and Caboolture Shires could together have sufficient population and geographic size, it is questionable if Redcliffe City would be able to achieve economic and growth management outcomes on the scale considered necessary as a stand-alone local government, without close collaboration with the other two local governments. The Caboolture and Pine Rivers Shire Councils would inevitably need to establish coordination committees and other mechanisms with Redcliffe to achieve a complementary approach to cross border issues such as water and transport infrastructure. This creates unnecessary additional costs and can result in ineffective management of issues where two councils cannot agree.
- The infrastructure demands of a rapidly growing urban area without any discernable boundaries are more effectively and efficiently addressed as a core business responsibility of a regional local government.

In summary, the amalgamation of these three local governments results in a regional local government of a scale and capability to:

- Promote and support major economic development initiatives emerging in the region.
- Develop a common planning scheme format while formulating planning and urban management policies that give expression to the particular character and identity of communities within its boundaries.
- Address workload resourcing difficulties associated with attracting and retaining in-demand professional and technical staff.
- Obtain economy of scale advantages which facilitates improved governance, greater access to technical resources, and an organisation better able to:
 - undertake strategic planning;
 - assess development proposals;
 - provide infrastructure;
 - manage natural resources; and
 - manage water, waste, sewerage and other urban services.
- Provide the necessary political leadership and advocacy capability, size, financial and technical resources to successfully address the land use, natural resource, environmental, economic and social challenges of the region.

3.2 Communities of interest

- There is a high degree of economic co-dependency within the new local government area and the wider SEQ region of which it is a part. It is closely linked to Brisbane with a large proportion of Pine Rivers, Caboolture and Redcliffe residents working in Brisbane.
- Brisbane City provides high order health facilities and services, tertiary education, commercial, legal and financial services, major industrial precincts, recreational, cultural and arts amenities, as well as major air, sea and land transport nodes for international travel, as well as intra and inter-state travel.
- The suburban transport network (road and rail) which services communities in the new local government area has the Brisbane CBD at its core.
- Pine Rivers and Caboolture Shires are alike in terms of geographic and physical form, have a sizeable rural hinterland, and are linked by the Bruce Highway as the main north-south transport corridor and spine for urban

development. They are both served by the Brisbane to Caboolture suburban rail service.

- Redcliffe and Bribie Island (Caboolture) define the southern and northern coastal parts of the region and have similar communities of interest.
- The urban communities of the proposed Regional Council area and the Sunshine Coast are separated by a substantial green break formed by the lower lying and forested areas of the Pumicestone Passage catchment, and Caloundra Downs to the north of Caboolture.
- There are no clear geographic barriers between each of the local governments to be amalgamated (ie many of the servicing issues and economic and social interests of the existing local governments overlap).

3.3 Other

Not applicable.

4. Financial sustainability

The local governments are rated in the Financial Sustainability Review by Queensland Treasury Corporation as follows:

- Caboolture Shire Council – strong (neutral);
- Pine Rivers Shire Council – strong (developing); and
- Redcliffe City Council – strong (neutral).

It is likely that the amalgamated local government will be rated as strong with a developing outlook.

The combined local government will have excellent capacity to maintain this rating through its ability to:

- improve economies of scale;
- attract, retain and develop skilled staff as well as build capacity of systems; and
- undertake regional planning and infrastructure delivery.

5. Implementation issues

The Commission did not identify any specific issues relating to the formation of the new local government area.

6. Boundary issues

The Commission did not identify any major ongoing boundary issues.

7. Suggestions

The Commission gave consideration to the 579 suggestions it received in relation to the local governments affected by the proposed amalgamation.

7.1 Details of suggestions

- Redcliffe City Council's suggestion to the Commission states that amalgamation with Pine Rivers Shire and/or Caboolture Shire would result in Redcliffe's focused service delivery being lost to a large cumbersome organisation attempting to service the needs of numerous vast and disparate communities. Redcliffe suggests the following:
 - that its current boundaries be extended to include Deception Bay, North Lakes, Mango Hill and Griffin with which it shares a strong community of interest;
 - that the new local government area formed by the extended boundaries be undivided for electoral purposes; and
 - that the local government with the amended boundaries continues to be called Redcliffe City Council.
- Pine Rivers Shire Council's suggestion is that it would prefer its boundaries to remain unchanged. However, Council has suggested that it be amalgamated with Redcliffe City in preference to creating a super council comprising Redcliffe, Kilcoy and Caboolture and in preference to any proposal to split Pine Rivers across a number of local governments. The new local government area would be named City of Pine Rivers and it would have 12

electoral divisions. The rationale supporting this suggestion includes:

- with a population of 208,000, further economies of scale and efficiencies are achievable;
 - Redcliffe City obtains services from Pine Rivers with respect to water and major road connectors;
 - future public transport and road networks from Petrie and Dakabin will provide additional connectivity with Redcliffe;
 - easy implementation and no new office infrastructure due to the uniformity of business systems;
 - minor savings in governance and management costs;
 - geographic size is manageable and will not generate diseconomies or reduce service levels; and
 - significant environmental benefits with one local government responsible for almost the entire Pine River catchment area.
- Caboolture Shire Council states in its suggestion that it prefers its boundaries to remain unchanged. However, it proposes the internal boundary separating Divisions five and six be altered to rationalise the Narangba Industrial Estate into one single division. Electoral arrangements should remain (six full-time councillors plus a mayor) and the name should also remain. Reasons against amalgamation with other shires are:
 - erosion of rate base to fund development and infrastructure leading to higher rates;
 - rigorous financial decisions made by Caboolture Shire would be diminished as the larger debt and weaker financial outlook could lead to higher rates; and
 - loss of identity for rural areas of the shire.

7.2 Commission's comments on suggestions

The Commission considered:

- Caboolture and Pine Rivers Shires' suggestions that they have the capacity to remain as stand-alone local governments. The Commission agrees with these statements. However, the Commission is of the view that the benefits of

amalgamating Caboolture and Pine Rivers Shires and Redcliffe City as outlined in section 3 above are compelling.

- The Commission agreed with the key issues outlined in Pine Rivers Shire's alternative suggestion regarding an amalgamation of Pine Rivers Shire and Redcliffe City. However, the Commission determined the benefits of this amalgamation would be increased by the inclusion of Caboolture due to the shared community of interest, planning and common infrastructure and population growth pressures faced by the local governments as outlined in section 3 above. In addition, a decision to not amalgamate the local governments would fail to exploit opportunities for the future in terms of planning, infrastructure delivery, capacity and economic and social development, and generate the need for "co-ordinating mechanisms" to be established to deal with cross border issues.

The Commission considered Redcliffe City's suggestion to remain as a stand-alone local government with boundary change to include the areas of Deception Bay, North Lakes, Mango Hill and Griffin. The Commission determined the boundary change is sub-optimal as the following issues would not be addressed:

- inability to develop a regional strategy and plan;
 - overlapping planning and development issues that would require coordination mechanisms to be established with the Pine Rivers and Caboolture Shire Councils, creating unnecessary costs and diminished decision making efficiencies particularly in relation to infrastructure and water supply.
 - potentially sub-optimal development of commercial, industrial and retail infrastructure; and
 - potentially inconsistent approaches to natural resource management for the region.
- The Commission considers the benefits of amalgamating the three local governments as outlined in section 3 above provides prospects of a superior medium to long-term outcome.

8. Other Commission considerations

The Commission considered Bribie Island which has the northern uninhabited part currently administered by Caloundra City and the southern part currently administered by Caboolture Shire. The Commission decided there is no net benefit in including Bribie Island under one local government boundary due to the majority of the island being protected as National Park and administered by Queensland Parks and Wildlife Service.

9. Objectives set for Commission

OBJECTIVES	OBJECTIVES ACHIEVED
Facilitates optimum service delivery to Queensland communities.	Yes.
Ensure local government effectively contributes to and participates in Queensland's regional economies.	Yes.
Manages economic, environmental and social planning consistently with regional communities of interest.	Yes.
Effectively partners local government with other levels of government to ensure sustainable and viable communities.	Yes.